(GRANTS-IN-AID, from page 3)

grant programs going to all 50 states and the District of Columbia.

The 131 million persons residing in these "paying" states bore 58 percent of the tax costs—$53,838 million—to support the programs, while their state and local governments received $44,254 million in Federal grants-in-aid. The average tax "cost" per dollar of Federal aid was $1.22.

On the other hand, the 105 million residents of the other 31 states and the District of Columbia paid an average of 80 cents in Federal taxes for each dollar of Federal grants. These "receiving" states sent $38,922 million in taxes to Washington and received back Federal aid worth $48,506 million.

Federal Grants-in-Aid to State and Local Governments and Estimated Federal Tax Burden for Federal Grants
Fiscal Year 1984

State	Grants[a] (millions)	Percent of total tax burden	Estimated tax burden for grants[b] (millions)	Tax burden per dollar of aid	
				Amount	Rank
TOTAL U.S.	$92,759.2	100.00	$92,759.2	$1.00	—
Alabama	1,493.9	1.28	1,187.3	.79	35
Alaska	591.4	.35	324.6	.55	48
Arizona	973.7	1.13	1,048.2	1.07	16
Arkansas	937.7	.71	658.6	.70	41
California	9,686.3	12.02	11,149.7	1.15	10
Colorado	1,097.9	1.47	1,363.6	1.24	7
Connecticut	1,221.4	1.84	1,706.8	1.40	3
Delaware	298.5	.29	269.0	.90	25
Florida	2,779.4	4.53	4,202.0	1.51	2
Georgia	2,209.4	2.10	1,947.9	.88	28
Hawaii	458.8	.44	408.1	.89	27
Idaho	393.0	.32	296.8	.76	36
Illinois	4,303.1	5.38	4,990.4	1.16	9
Indiana	1,759.5	2.11	1,957.2	1.11	12
Iowa	1,090.7	1.11	1,029.6	.94	22
Kansas	802.8	1.08	1,001.8	1.25	6
Kentucky	1,577.2	1.20	1,113.1	.71	40
Louisiana	1,770.8	1.71	1,586.2	.90	26
Maine	590.3	.39	361.8	.61	45
Maryland	1,718.6	2.09	1,938.7	1.13	11
Massachusetts	2,634.0	2.81	2,606.5	.99	20
Michigan	3,773.4	3.72	3,450.6	.91	23
Minnesota	1,862.2	1.75	1,623.3	.87	29
Mississippi	1,154.3	.71	658.6	.57	47
Missouri	1,771.7	1.99	1,845.9	1.04	17
Montana	486.1	.30	278.3	.57	46
Nebraska	636.2	.62	575.1	.90	24
Nevada	319.8	.42	389.6	1.22	8
New Hampshire	367.0	.43	398.9	1.09	13
New Jersey	2,871.0	4.18	3,877.3	1.35	5
New Mexico	664.0	.49	454.5	.68	43
New York	10,268.3	8.31	7,708.3	.75	37
North Carolina	1,926.5	2.09	1,938.7	1.01	18
North Dakota	429.9	.29	269.0	.63	44
Ohio	4,043.8	4.37	4,053.6	1.00	19
Oklahoma	1,161.1	1.35	1,252.2	1.08	15
Oregon	1,122.4	1.01	936.9	.83	32
Pennsylvania	4,665.6	4.95	4,591.6	.98	21
Rhode Island	547.6	.41	380.3	.69	42
South Carolina	1,165.3	1.03	955.4	.82	34
South Dakota	431.8	.23	213.3	.49	50
Tennessee	1,777.6	1.65	1,530.5	.86	30
Texas	4,130.5	7.16	6,641.6	1.61	1
Utah	652.3	.52	482.3	.74	38
Vermont	330.8	.18	167.0	.50	49
Virginia	1,646.2	2.45	2,272.6	1.38	4
Washington	1,673.2	1.95	1,808.8	1.08	14
West Virginia	818.1	.63	584.4	.71	39
Wisconsin	2,062.8	1.86	1,725.3	.84	31
Wyoming	270.5	.24	222.6	.82	33
District of Columbia	1,340.8	.36	333.9	.25	51

[a]Excludes shared revenues and payments in lieu of taxes; includes General Revenue Sharing and trust fund aids.
[b]The total tax burden for grants is assumed to equal grant payments.
Source: U.S. Department of Commerce, Bureau of the Census; and Tax Foundation computations.

For the fourth year in a row, Texans paid the highest tax premium for Federal grants. Each dollar of grants cost them $1.61 in Federal taxes. Other top paying states were Florida ($1.51), Connecticut ($1.40), Virginia ($1.38), and New Jersey ($1.35).

At the low end, residents of the nation's capital paid 25 cents in taxes per dollar of Federal aid. Favorable balances also existed in South Dakota (49 cents), Vermont (50 cents), Alaska (55 cents), and Mississippi (57 cents).

Tax Foundation's method for deriving the Federal tax burdens borne by residents of each state is designed to show where tax dollars actually originate, rather than where they are collected. The data on grants-in-aid are shown as reported by the Bureau of the Census.

Tax Foundation analysts point out that these comparisons of Federal tax burdens for aid assistance do not reflect the entire costs incurred by state and local governments for obtaining grants. The comparisons, with few exceptions, do not take into account the costs to these governments of administering the programs for which the aid is granted, nor the amounts of matching funds which the state and local governments must make available out of their own revenues in order to qualify as recipients of these grants. In fiscal year 1984, Foundation economists estimate that state and local governments provided about 48 cents of matching funds for each $1.00 of Federal aid.

The accompanying table provides state-by-state data.

Further details are provided in the "Memorandum on the Allocation of the Federal Tax Burden and Federal Grants-in-Aid by State, Fiscal Year 1984," available from Tax Foundation for $1.00 (plus $1.00 postage and handling per order).

International Tax Seminar

Tax Foundation will sponsor a Seminar on **"Tax Reform Implications for International Business"** on **Tuesday, June 4, 1985**, at the Washington Plaza Hotel in Washington, D.C.

This seminar is designed for those concerned with the tax treatment of foreign source income in the context of overall tax reform proposals. It will cover proposed changes in the foreign tax credit, Section 936 relating to possessions corporations and other foreign source income issues.

Speakers at the Morning Session, which runs from 9:30 a.m. to 12:30 p.m., will include:

- J. Roger Mentz, Deputy Assistant Secretary of the Treasury
- Robert J. Patrick, Jr., Washington Director, International Tax Practice, Price Waterhouse and Co.
- Norman B. Ture, President, Institute for Research on the Economics of Taxation
- Leslie Cookenboo, Coordinator of Economic Policy, Exxon Corporation
- Frederick L. MacDonald, Assistant General Tax Counsel, General Motors Corp.

The Luncheon Session will feature The Honorable Sam Gibbons, Chairman, Subcommittee on Trade, and Member, House Committee on Ways and Means.

The registration charge is $135 per registrant. For further information or to register, call the Tax Foundation at 202/822-9050.